Nottingham's New Housing Strategy Webinar

Wednesday 9th February 2022
11.30-1.00pm

Nottingham City Council

Welcome & Introductions

Cllr Linda Woodings
Portfolio Holder for Housing, Planning & Heritage

Nottingham City Council

Housekeeping:

Please can all attendees turn audio and videos off.

It is requested that attendees post any questions or comments on the meeting chat.

Where possible, questions will be responded by the event speakers as a panel, or by members of the Housing Strategy project team at the Q&A session.

Nottingham City Council

Nottingham’s Housing Strategy 2022-2025

An Overview of Nottingham’s Housing: Context and Drivers

Graham de Max - Housing Strategy & Partnerships Manager

The Housing Strategy: What is it? Whose is it?

- Not a statutory document, so why have it?
- The importance of housing to everything else.
- Supports a number of other strategies.
- It's the City's, not just the Council's strategy.
- Gives clarity of vision and objectives to our partners.

National Context

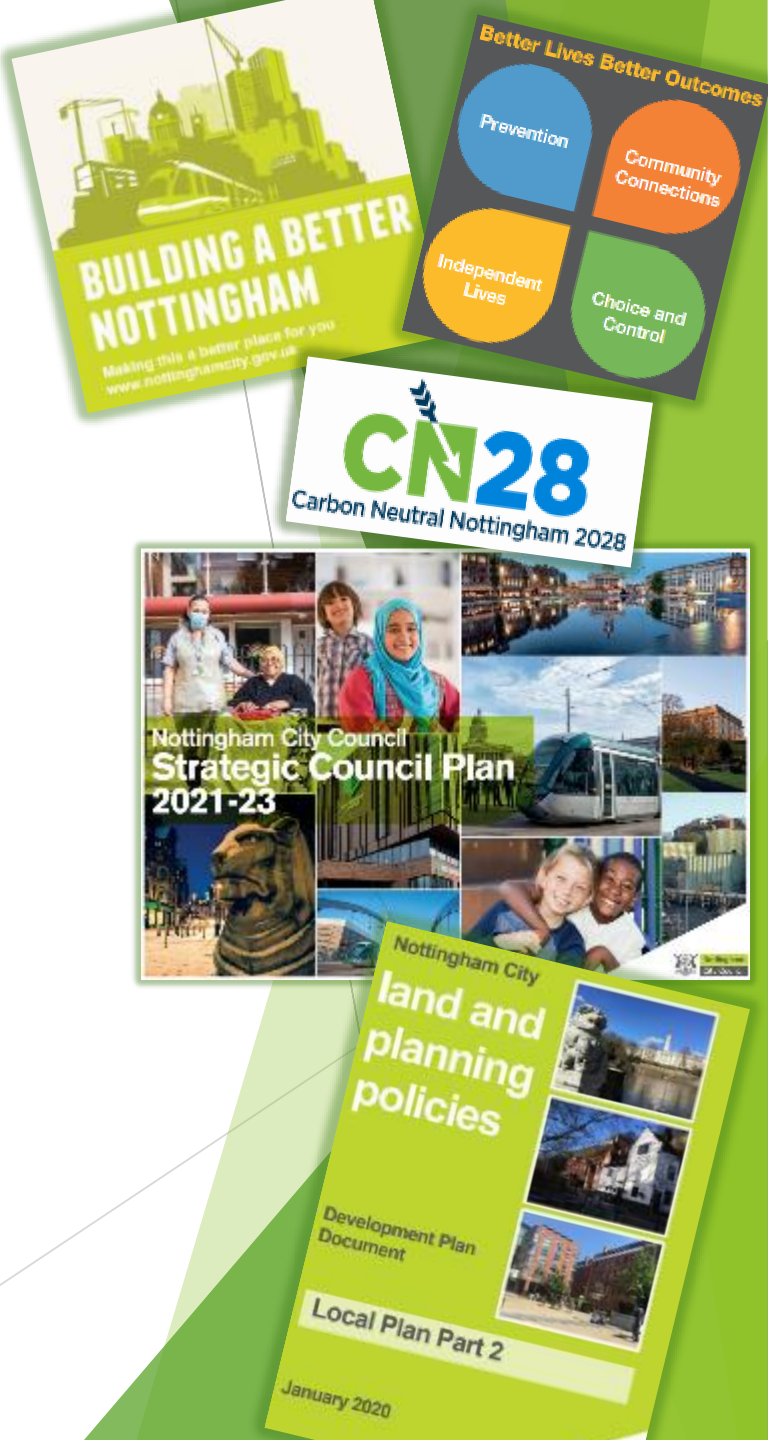
- A crisis of housing shortage and affordability.
- The increased role of the private rented sector.
- Homelessness and rough sleeping.
- Climate change, carbon neutrality and energy costs.
- Ageing population, health and disability.
- Building Safety.
- Quality and age of the existing stock.
- Access and equality.
- Fragmented policy and strategy at a national level.
- Continuing focus on home ownership.

Policy & Legislative Drivers

- Focus on planning as the key to unlocking supply – NPPF.
- Levelling Up White Paper.
- Forthcoming PRS White paper
- Building safety legislation.
- Social Housing White paper and emerging regulation.
- Social Care White paper.
- Focus on homelessness prevention and intervention (Homelessness Reduction Act)
- Domestic Abuse Act 2021
- Rough sleeping strategy.
- Specific energy requirements – MEES, carbon-free homes

Local Policy Context

- *Together for Nottingham.*
- Strategic Council Plan.
- Growth, regeneration and prosperity of the City.
- Carbon Neutral 2028.
- *Better Lives, Better Outcomes.*
- Health and Wellbeing Strategy.
- ‘A child-friendly city’, and better outcomes for children.
- Local plan, policies and associated supplementary planning documents.
- Homeless prevention
- Ending rough sleeping



…a Housing Strategy which is about more than housing.

Nottingham City Council

Nottingham's Housing Strategy 2022-2025

An Overview of Nottingham's Housing: Challenges and Opportunities

Lucy Mitchell, Housing Strategy Specialist

Key Facts

Largest urban area within the East Midlands.

36th most densely populated LA in England and Wales - making meeting housing need challenging due land availability.

Made up of 20 Wards, ranging from the most deprived in Bulwell, to the most affluent in Wollaton West.

Population Growth: An Overview

It is estimated that over 337,000 people currently live in Nottingham, a rise of 4,200 since 2019 (1.3%). Further increase of 19,000 (5.6%) anticipated up to 2043.

Wards with the greatest population increases are Castle, Hyson Green and Arboretum.

The number of households in Nottingham is estimated to be nearly 136,000.

There are over 135,000 domestic properties, of which around 26,000 are owned by the Council and a further 9,000 are owned by Registered Providers.

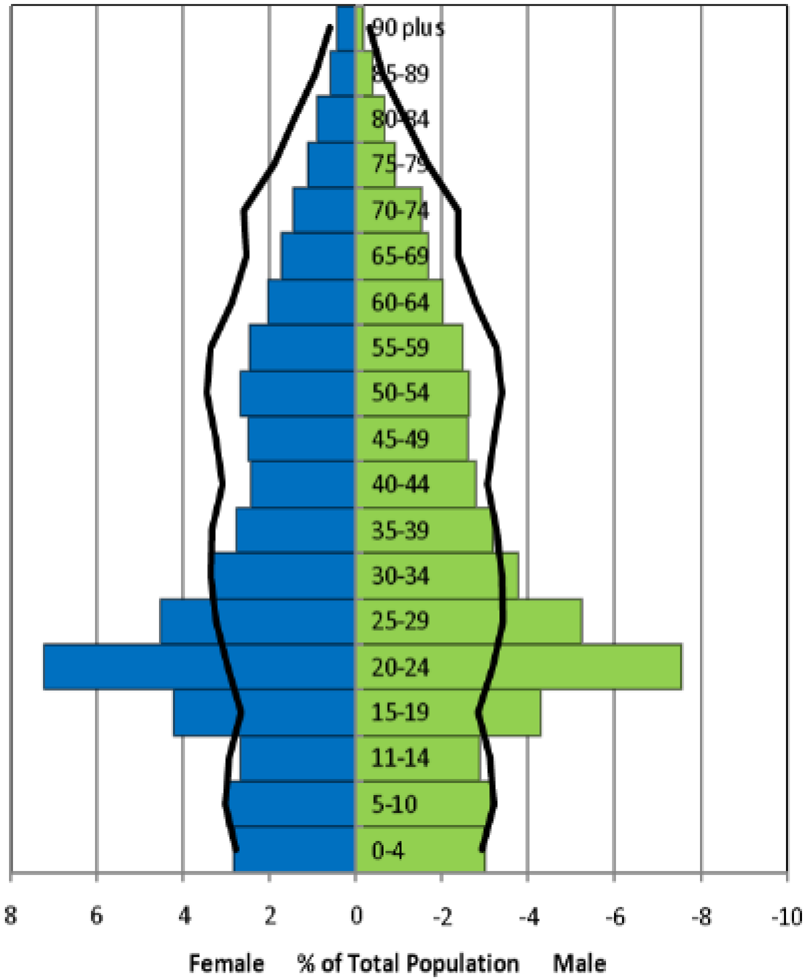
In 2011, nearly 16,000 (6%) of households were living in overcrowded conditions, an increase of over 50% from 2001, a figure well above the national average of 32%.

Standard method for assessing housing requirement indicates a need for 1,149 homes pa. Including the recently announced 35% uplift, increases this to 1,551 homes required pa.

Affordable housing need of 1,112 rented homes pa to 2038.

Source: Greater Nottingham & Ashfield HNA; ONS

Age Profile



Nottingham's Population Structure by Age Group (bar) compared to England (line) - 2021

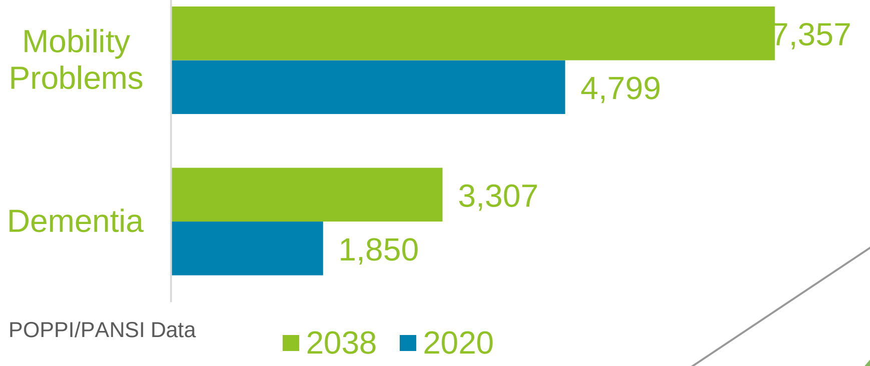
- The City has a very high proportion (30%) of younger people.
  - This can largely be attributed to international migration and the large student population, estimated to be 45,000, and previous development of smaller, flatted accommodation within the City.

- Despite the lower numbers of older people compared to national figures, significant increases are anticipated within the 65-74 (29%), 75-84 (53.5%) and 85+ (47.9%) age groups.
- At the end of 2021, 73% of the working population (aged 16-64) were in employment, compared to the England rate of 74.9%.
- The proportion of residents aged 16-64 claiming unemployment benefits was 5.9% in December 2020, a decrease from 7.4% from the previous year.

Specific Needs

- Anticipated increases in Dementia (64.1%) and mobility problems (53.3%) amongst older people (65+) expected.
- Nottingham has a slightly higher percentage of older people living with a long-term health condition or disability (LTHCD) at 57%, compared to national comparators of 53%.
- People in the 50-64 age bracket also fair slightly worse than national figures, with 26.2% living with a LTHCD, compared to 23.3% nationally.

Increase in Disability Prevalence in Older People

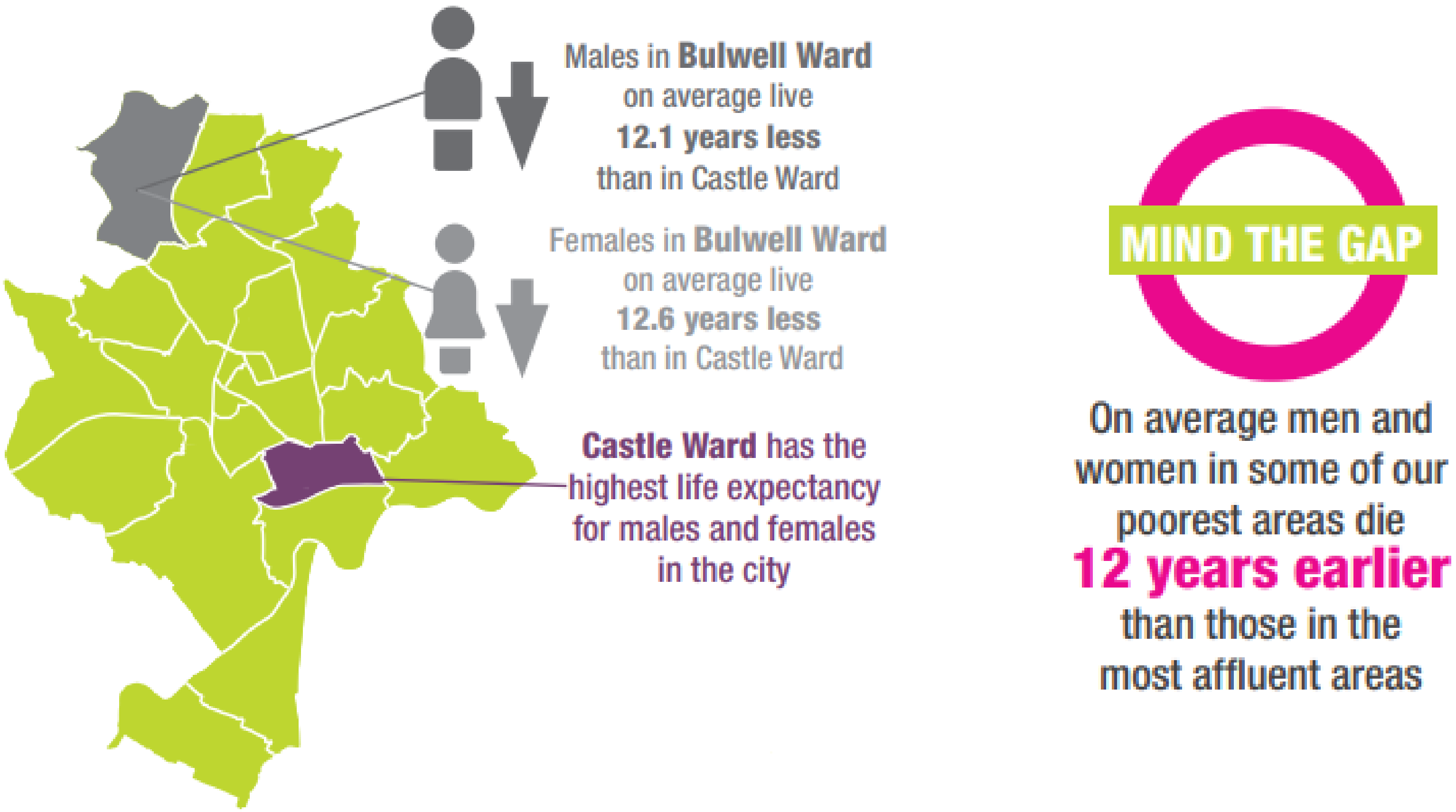


POPPI/PANSI Data

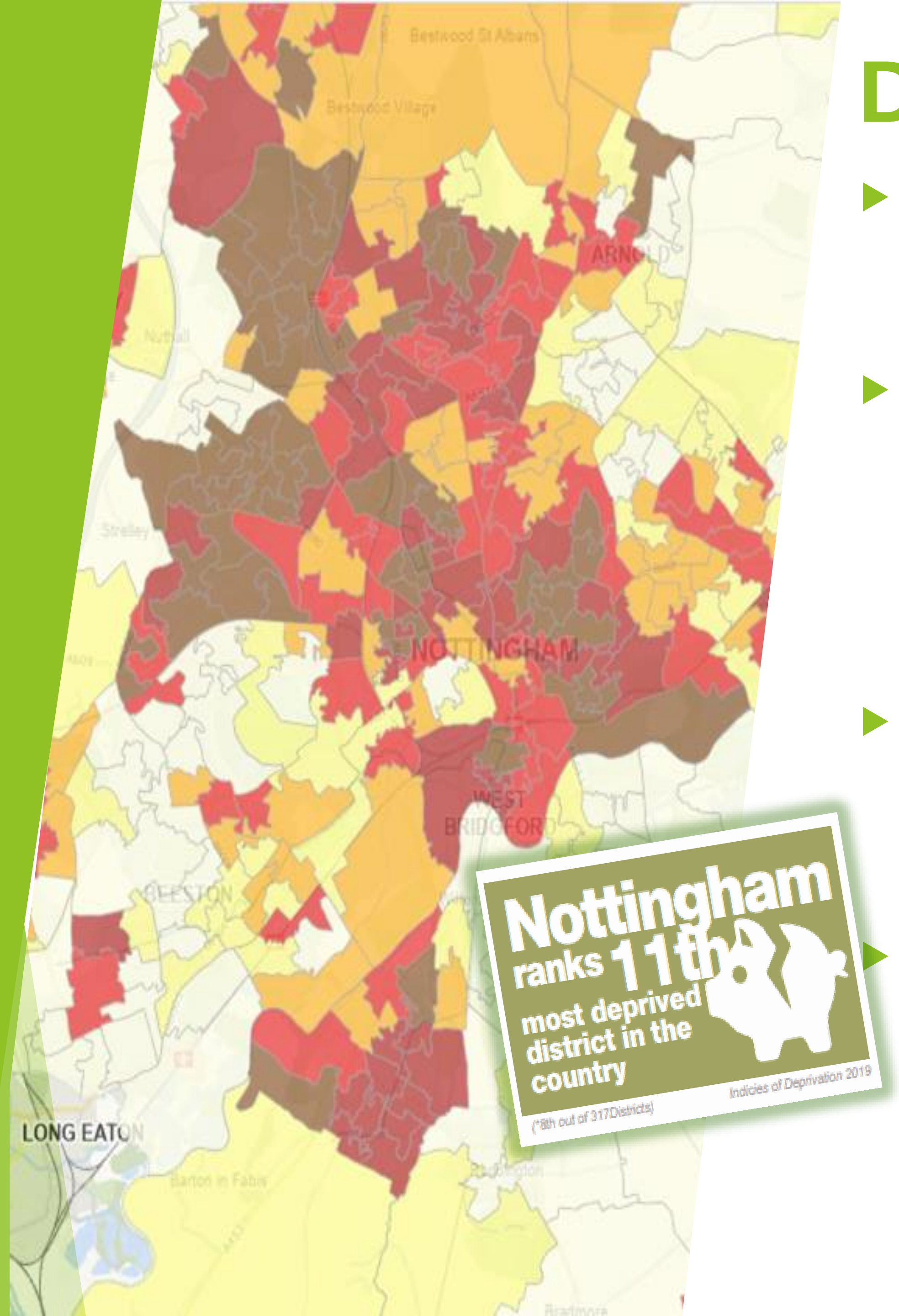
- Impaired mobility among younger adults is set to increase by 1.5% by 2038.
- Incidence of mental ill health is set to rise by 3.5% to 2038.
- The incidence of a learning disability is set to increase by 4.9% and autism by 5.4% to 2038.
- Critical need to consider the requirement for both specialist housing provisions and practical solutions within existing and new-build homes to promote independent living and choice within future solutions.
- Desire to shift the balance from residential care to appropriate community-based alternatives.

Source: Greater Nottingham and Ashfield HNA

Life Expectancy



- Life expectancy is significantly lower in Nottingham than in England - with men living on average 3 years and women 2 years less.
  - The incidence of circulatory, respiratory or digestive disease and cancer are the largest contributors to this difference.
- Healthy life expectancy is also lower - a gap which is increasing. Men live on average 5.9 years more in poor health, with women 8.8 years.
- Relative poverty negatively affects how long you live, with people in the Bulwell Ward living on average 12+ years less than their neighbours in the Castle Ward.



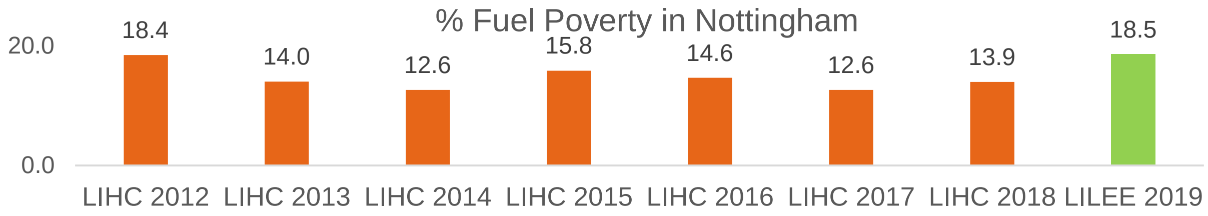
Deprivation

- Nottingham ranks the 11th most deprived District in the Country with 85% of Nottingham's neighbourhoods falling below the Multiple Deprivation average for England,
- Over 30% of Nottingham's 182 neighbourhoods fall within the 10% most deprived areas, with:
  - 55 in the most deprived for Health and Disability;
  - 28 in the most deprived for Crime; and
  - 57 in the most deprived Education, Skills and Training.
- The lowest ranking areas in the City is in Bulwell, which ranks 130th nationally, followed by Bilborough East at 145th. Aspley, Radford, Bestwood, Sherwood and St Ann's also perform poorly.
- The implications of poverty are far-reaching, creating problems with:
  - Social isolation
  - Low educational attainment
  - Unemployment
  - Mental and physical health

Source: Indices of Deprivation - 2019, JSNA

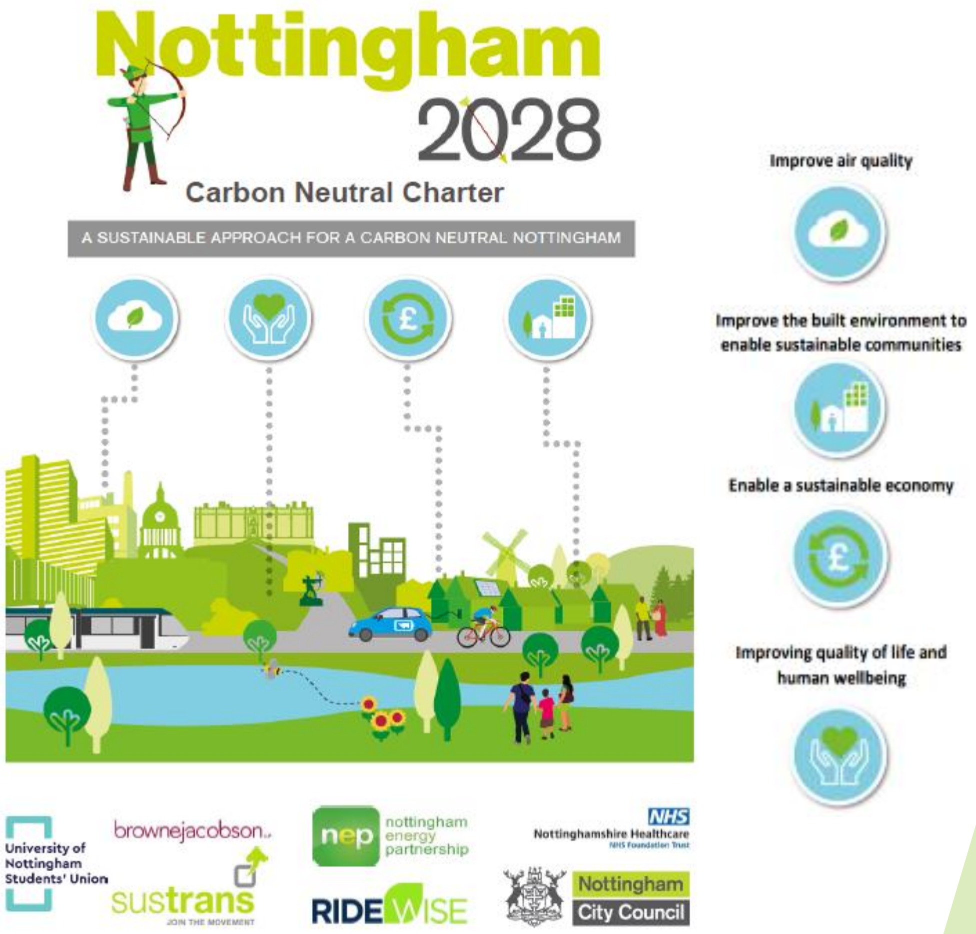
Fuel Poverty

- New definition introduced in England in 2021 – 'Low Income, Low Energy Efficiency' (LILEE), meaning a household is fuel poor if:
    - EPC rating of D-G.
    - Disposable income (after housing costs and energy needs) below the poverty line.



- Fuel poverty affects more than 25,000 (18.5%) households in Nottingham, a figure that has risen significantly under the new methodology.
- Rapidly rising energy bills and consumption likely to cause significant and widespread financial hardship – due to data lag unlikely to be reported until 2024!
- Fuel poverty can negatively affect people's physical, mental health and wellbeing.
    - Greater risks to those with existing vulnerabilities such as disability, chronic ill-health, age and /or low income.
    - Most serious impact of a cold home is the death of an occupant - Nottingham recorded on average 158 excess winter deaths pa between 2007/08 – 2017/18.
- Requires a whole-house and citizen focused approach.

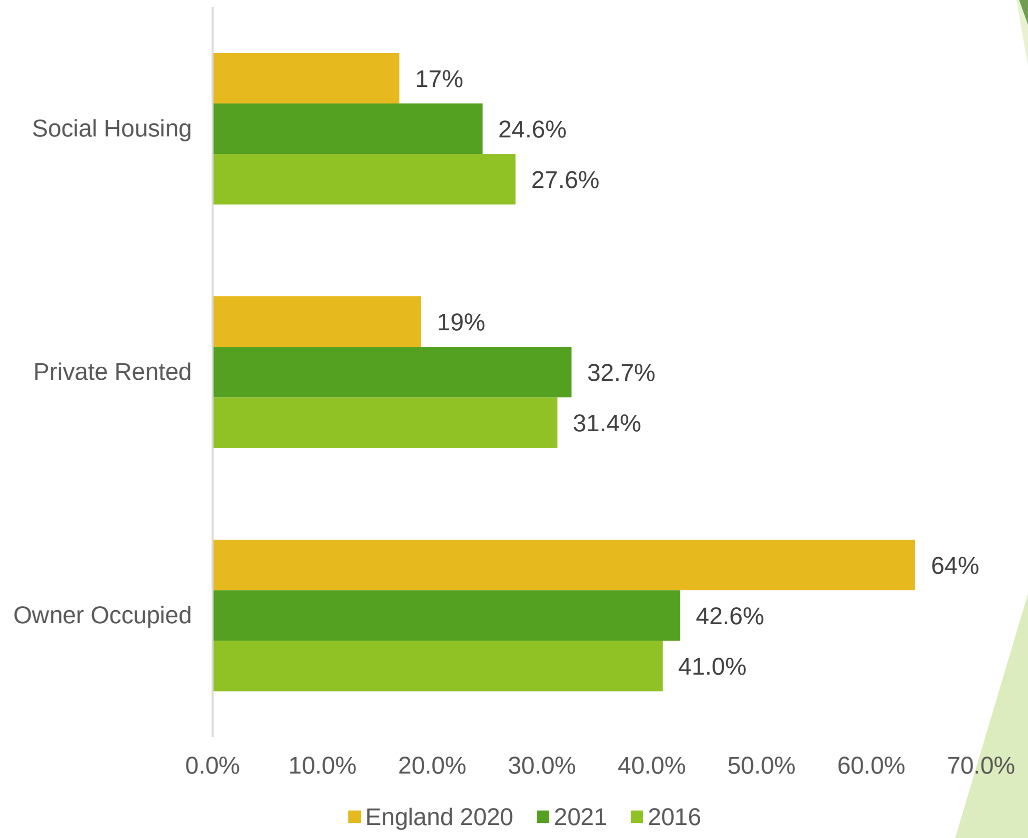
Energy Efficiency



CN28
Carbon Neutral Nottingham 2028

- Domestic CO2 emissions in the City have fallen by 42% between 2005 and 2019, however, this sector still accounts for the largest proportion of emissions, at 39%.
- Many existing homes are poorly insulated and reliant on fossil fuels for heating.
  - Nearly 30% of homes in the City lack an EPC – unknown element.
  - 76.2% of owner occupiers with an EPC rank between a D-G rating.
  - Primary heating - 77.4% gas, 22.1% electric and 0.5% solid fuel.
- New-build completions generally supporting a reduction in emissions, the existing housing stock is the primary concern.
  - Reaching the lowest level of EPC C for all existing homes would reduce current emissions by only 12%.
  - Reaching the highest level of EPC C for all homes would reduce current emissions by 58%.
- Housing has an increasing role to play in meeting CN28 and National targets.

Tenure Breakdown



Estimated Percentage Tenure Profile of Nottingham 2016 – 2021 Compared to England.

The number of homes within the City grew between the period 2016 and 2021 by 3.1%.

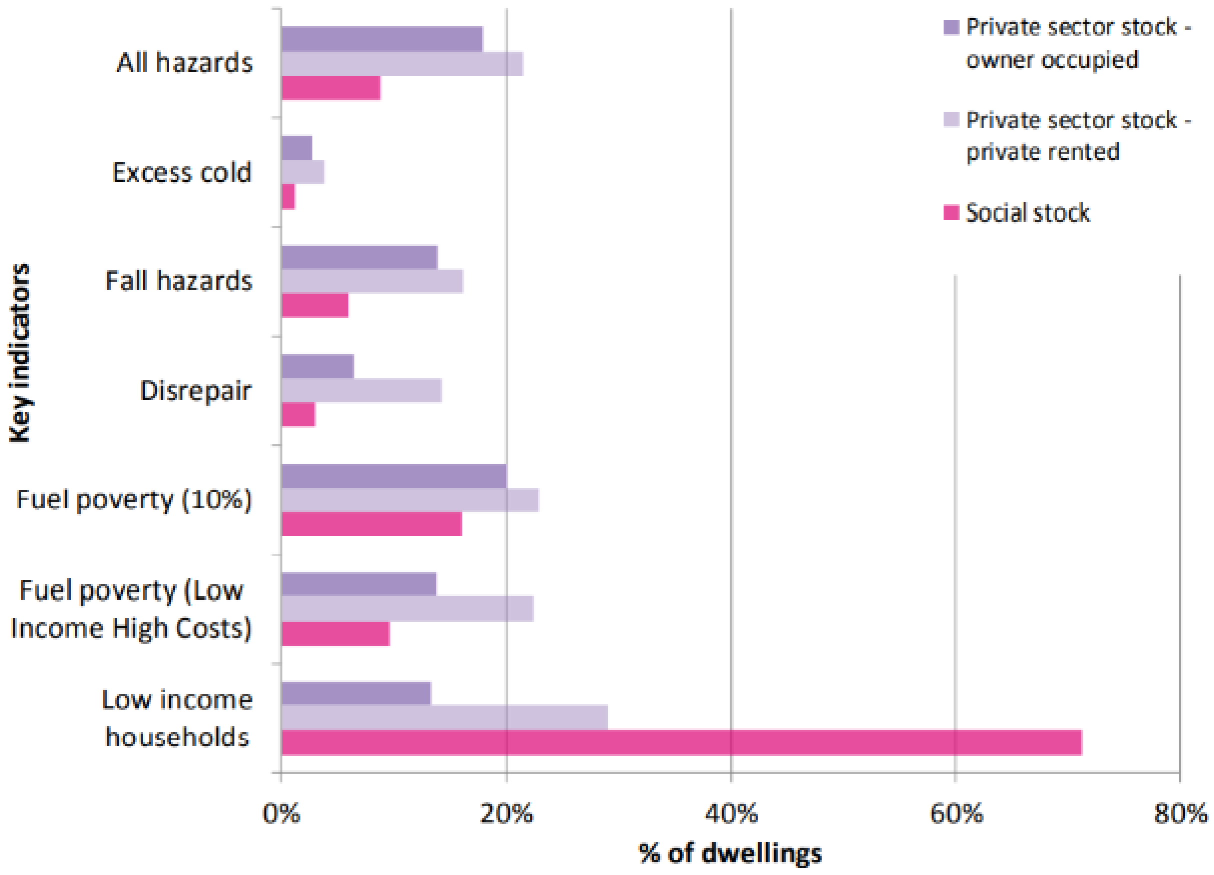
Significant growth witnessed in both the owner occupied (1.6%) and the private rented sectors (1.3%) taking the total percentage share of owner occupation to 42.6% and PRS to 32.7%.

The City has significantly higher levels of social housing at 25% of all stock than England (17%), despite the 3% reduction in the sector witnessed between the period 2016 and 2021.

PRS growth linked to a lack of access to owner-occupation, in particular raising deposits and access to finance for lower income households, and a lack of availability of social housing.

Source: BRE Data Profiling

Stock Condition



Stock Condition by Tenure Breakdown - 2016

- Generally, social housing stock performs better than stock in the rented or owner occupied sector.
  - Fall hazards, disrepair and fuel poverty (LIHC) have the greatest level of discrepancy.
- Greatest overlap of financial vulnerability and poor housing is seen in the PRS.
- Worth noting the data does uses the old method of measuring fuel poverty and not LILEE.
- Data gap - unable to ascertain from this data the raft of improvements in recent years, and any potential changes between tenures.

Source: Nottingham City Council BRE Study - 2016

Property Prices

Percentage Increase

- Over the last ten years:
- lower quartile house prices have increased by around 75%, and
- Median house prices increased by 66%.
- In 2020:
- Lower quartile house prices increased by 10.9%, and
- Median house prices increased by 5.6%.

Property Price – Lower Quartile

- The lower quartile price of properties sold in March 2021 was around £126k.
- Generally, homes in Nottingham were cheaper than in England (+52k) and the East Midlands (+30k).

Property Price - Average

- Average property prices have risen from £168k in June 2019 to £176k in Nov 2021 - a rise of 4.8%.

Source: ONS

Affordability and Accessing the Market

Income

- Over the last ten years:
- Lower quartile earnings increased by 21%, to £22,373 pa.
- Median earnings averaged increased by 16% to £28,372 pa.
- In 2020:
- Lower quartile earnings increased by 8.2%
- Median earnings decreased by 0.5%

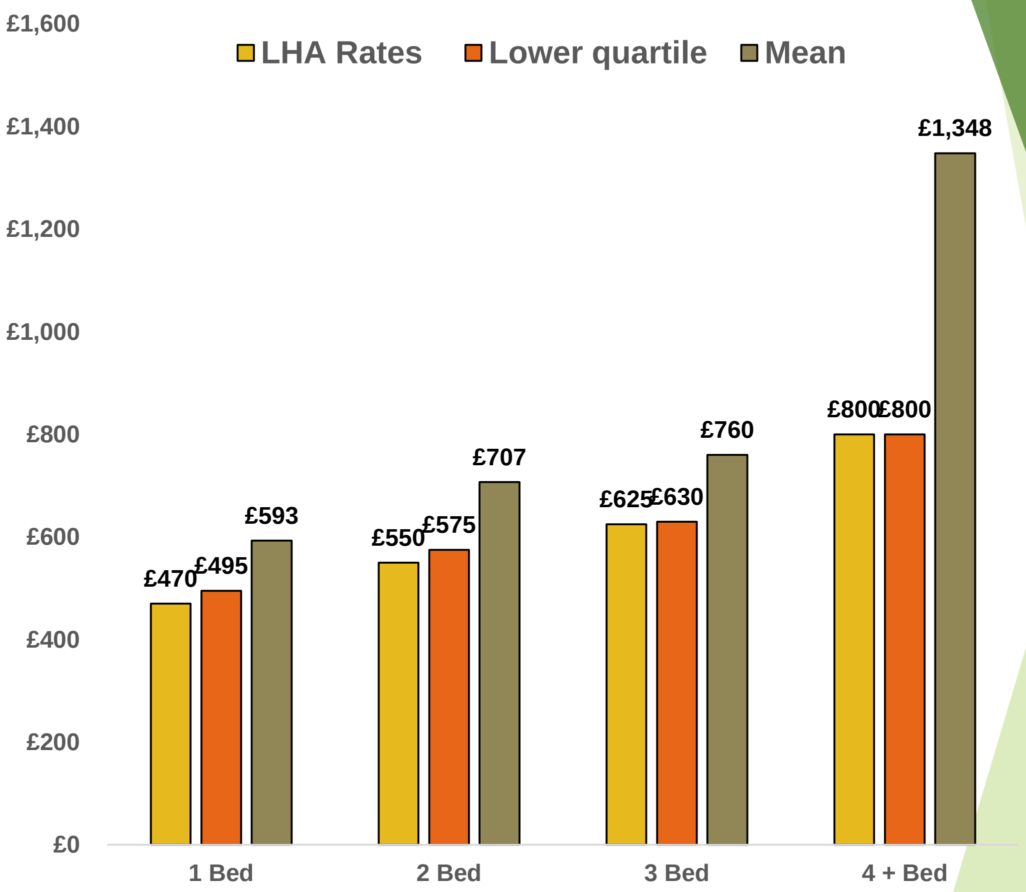
Income to House Price Ratio

- Lower quartile house prices were 5.27 times lower quartile earnings in 2020, compared to 4.18 times in 2010.
- Median house prices were 5.16 times median earnings in 2020 compared to 4.08 times in 2010.

Travel to Work Costs

- Travel to work costs significantly restricts access to the market - especially for entry-level housing.
- Lower quartile house prices are 7.62 times lower quartile earnings.
- Median house prices are 5.80 times median earnings.

Private Rental Costs



ONS Private Rental Market Price Statistics: October 2020 – Sept 2021.

- On average, rents within Nottingham have increased by 7.6% between mid 2019/20 and 2020/21.
  - Notable increases in both the one (6.5%), two (3.2%), and three bedroom (5.1%) market.
- 920 more homes let within this period than the previous year - an increase of 27.5%.
- Latest figures (mid 2020/21) show lower quartile rents:
  - Account for just over 1,000 homes let.
  - Are mainly let at around LHA rates; although top-ups required for both one and two bedroom homes of around £25 pcm.
- Gap between average rent and LHA significant - with top-ups of around £140 pcm required for one, two and three bedroom homes, and nearly £550 required for a 4+ bedroom home.
- A single earner in the City can expect to spend more that 28.2% of their income on rent in comparison to 27.1% for the rest of the UK (excluding London)

Homelessness, Rough Sleeping & Housing Need

Nearly 2,800 people were assessed and owed a prevention or relief duty in 2020/21, an increase of over 16% since 2018/19.

The use of temporary accommodation over the same time period has increased by nearly 33%, with a 23% increase of families and 65% increase of people without children.

Rough sleeping (based on the rough sleeper count) has reduced year on year since 2017, with the November 2021 count indicating the City had 23 rough sleepers.

Over 8,266 people are registered on the Council's housing waiting list as of the end of 2021, of which, over 3,000 are within a reasonable preference category (recognised housing need).

During 2021, 1,171 Council homes were let through the waiting list, rehousing approximately 14.2% of the waiting list

Demand for one-bedroomed homes is significant with nearly 62% of the waiting list requiring this type of accommodation.

At the other end of the spectrum, the demand for larger 4+ beds is far smaller, at just over 5% of the waiting list, however, the wait is considerably longer.

Source: Internal data reporting

Nottingham's Housing Strategy 2022-2025

An Overview of Nottingham's Housing: Themes

Mark Lowe, Head of Housing & Regeneration

Theme 1: Enabling Housing Growth & Regeneration for a Green and Prosperous Nottingham

- Supporting developers to deliver new homes, within the Council’s broader strategic context, including the Cities economic growth and regeneration.
- Encouraging investment.
- How new homes and improvements to existing stock can support the City’s carbon neutral ambitions.
- Aligning with national investment priorities including Homes England’s ‘place based approach’ and the Levelling Up agenda.

Theme 2: Meeting the City's Diverse Housing Needs & Aspirations

- The delivery of affordable housing
- How the strategy will address the wide-ranging and varied housing needs of different groups in Nottingham
- Tackling the barriers to a suitable home experienced by some
- How the right kind of housing (with necessary support where appropriate) can increase independence and reduce demand on health and care services
- Appropriate accommodation to tackle homelessness and rough sleeping
- Housing solutions for survivors of domestic abuse
- The importance of housing in achieving better health outcomes

Theme 3: Driving Excellence in Housing Standards & Services Across All Tenures

- This theme will describe the way in which housing providers and agencies across all tenures will manage and maintain homes to support the city's ambitions for its citizens and its neighbourhoods.
- It includes the improvement of existing stock, social and private.
- Making best use of existing housing through a strategic use of allocations to social stock and tackling empty homes.
- Addressing how older owner occupiers will be supported to maintain their homes and continue to achieve independence.
- Review the approach that NCC takes with regard to its own stock, and the associated prioritisation of resources within the Housing Revenue Account.
- Support a strong tenant voice in the decision making about their homes (Social housing White paper).

Giles Inman - EMPO

EMPO Landlords work in partnership with Local Authorities to encourage and promote good property standards and management practices in the private rented sector across the East Midlands.

EMPO

Helping Residential Landlords Since 1942

EMPO- Who are we?

- **FREE** access to our bank of landlord documentation
- **A weekly newsletter** with all the latest regulatory and landlord court cases outcomes
- **Professional landlord training courses** at discounted rates for members
- **Invitations to property investor networking events**
- **Advice and assistance on all matters rental property related 7 days a week**
- **Membership brings great money saving products and services**

Improving Energy Efficiency

- EPC's on new tenancies to be a C rating by December 2025
- All EPC's to be a C rating by December 2028
- Grants- Low income/Landlord contribution
- Heat Pump grants £5K
- Government grant £450m over 3 years, equates to 90K pumps

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Energy Cap

- £200 repayable energy rebate
- Low income, Bills included & Rentals with D & E EPCs
- Reviewing the Energy Cap in the Autumn
- No plan
- Energy Summit

Helping Residential Landlords Since 1942

Levelling Up White Paper

- Proposal to repeal Section 21
- Rent arrears, ASB, Selling & Overcrowding
- Criminal Landlords
- Council Relationship Manager

EMPO
Helping Residential Landlords Since 1942

Clare Foster
Carbon Reduction
NCC

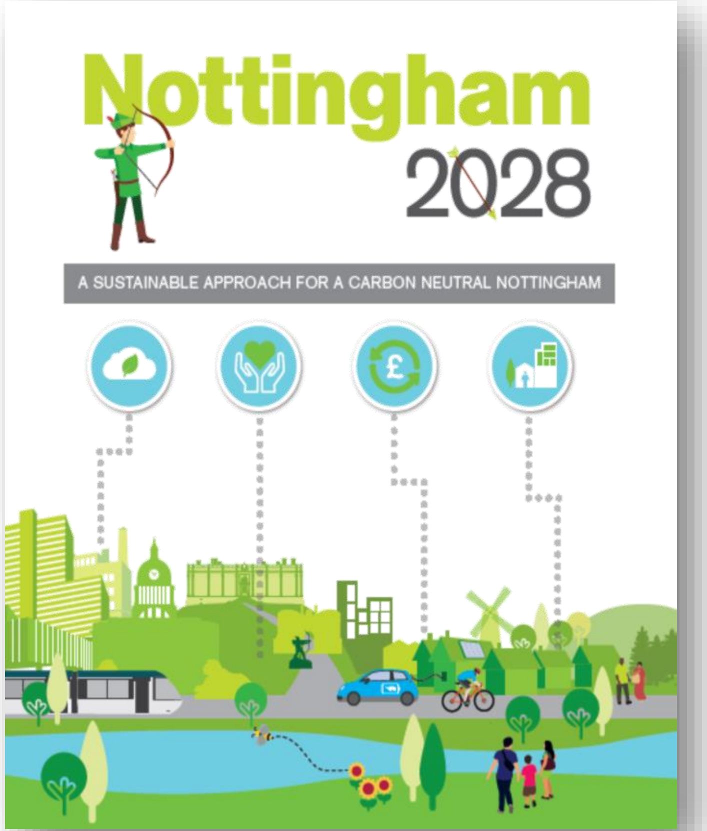
Nottingham City Council

CN28 Carbon Neutral Nottingham 2028

clare.foster@nottinghamcity.gov.uk | www.nottinghamcity.gov.uk/cn2028 | climatechange@nottinghamcity.gov.uk

CN28 Carbon Neutral Nottingham 2028

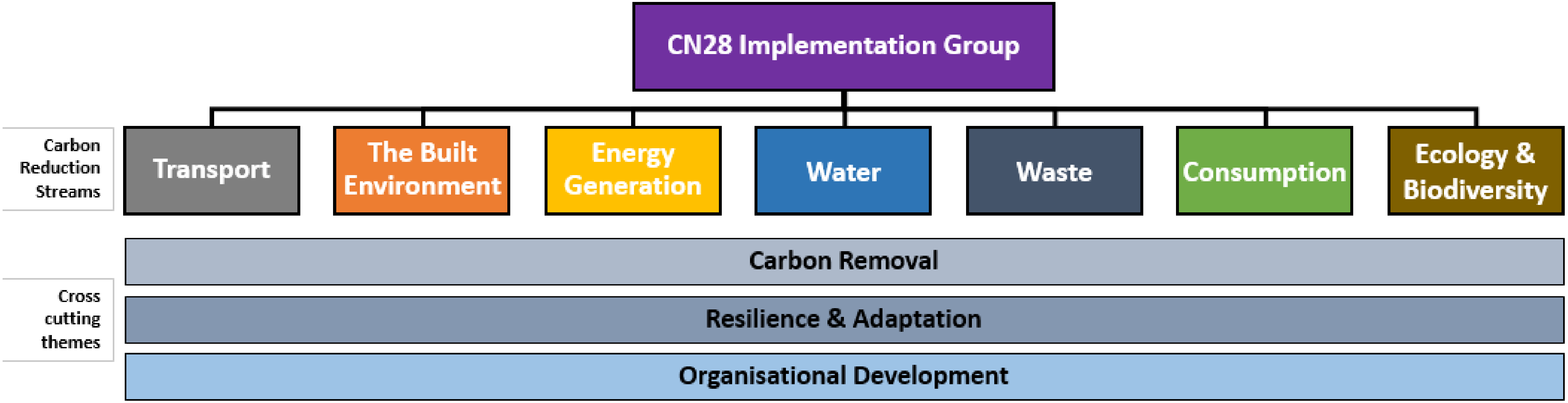
Carbon Neutral 2028 Action Plan



- Nottingham is aiming to become the first UK carbon neutral city by 2028

- This means reducing all carbon dioxide emissions from direct and indirect energy use to net-zero.

Carbon Neutral 2028 Action Plan

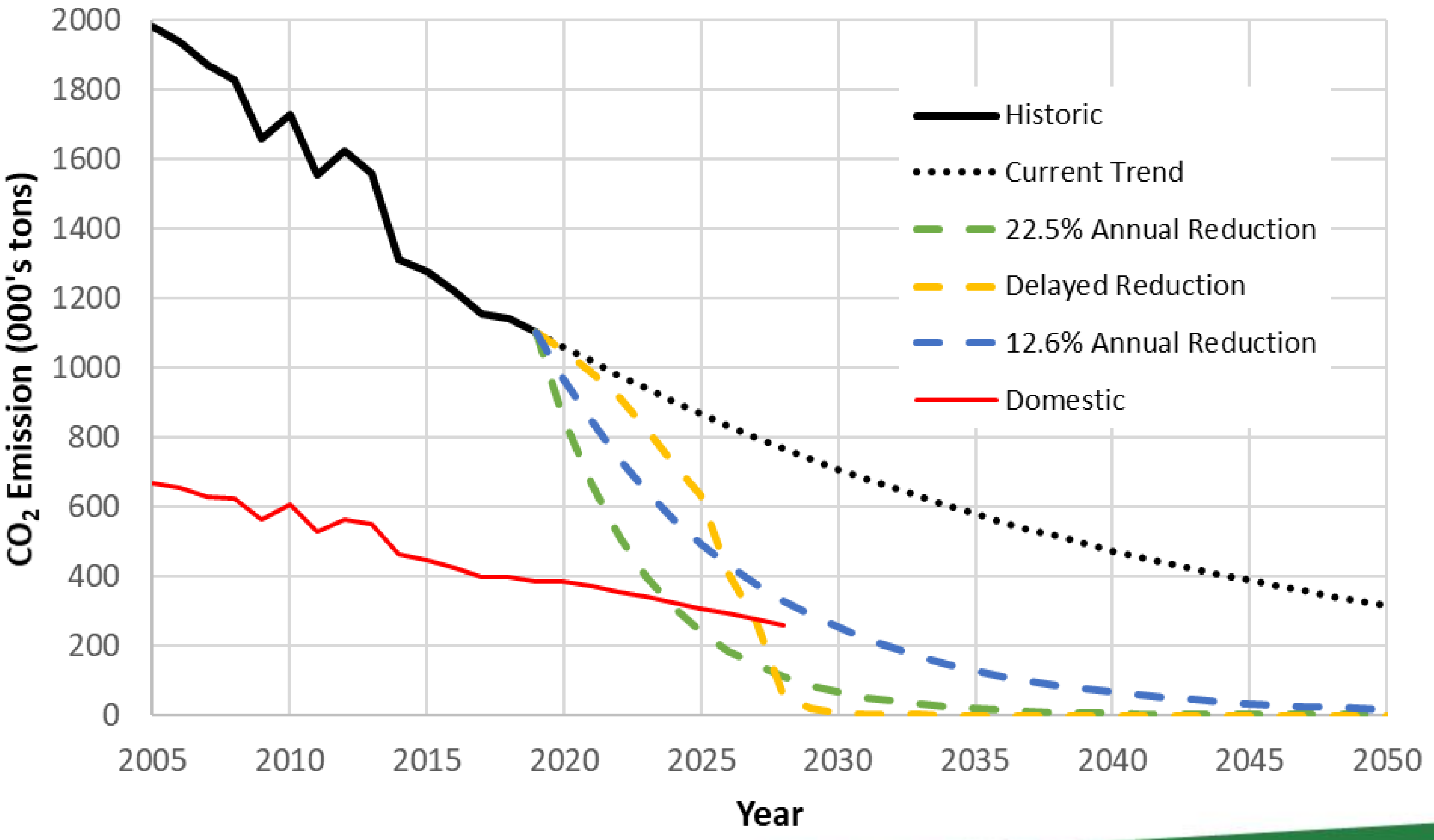


CN28 Action Plan – Annual Review

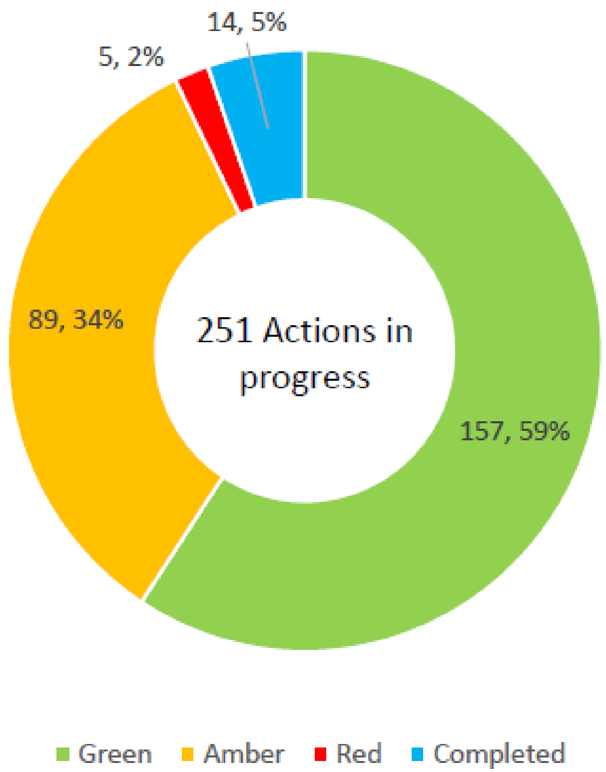
- Produced 1.105m tonnes of CO_2 emissions in 2019
- Reduced its overall CO_2 emissions by 44.2% since 2005
- Reduced its per capita emissions by 52.3% since 2005

CN28 Action Plan – Annual Review

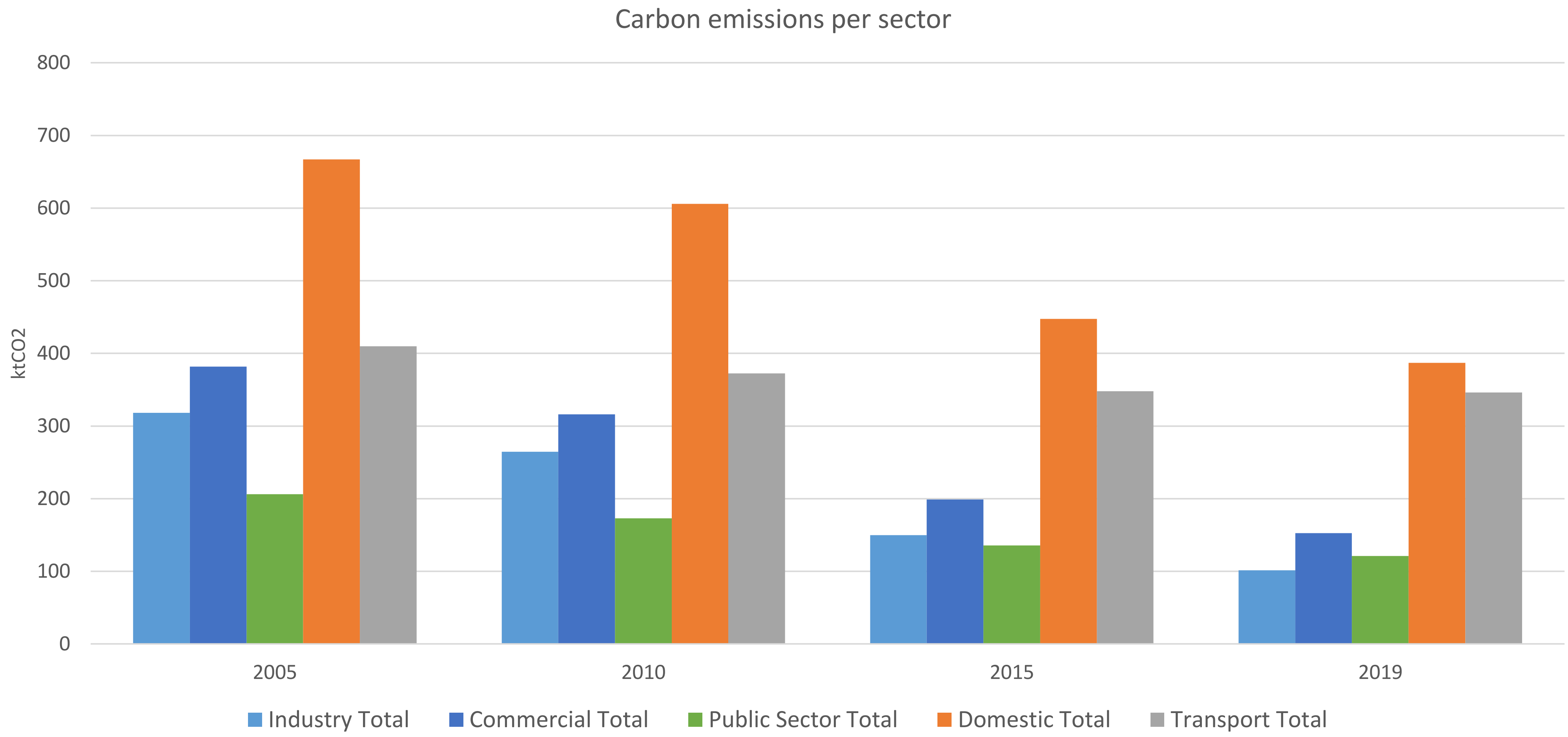
Nottingham's CO_2 emissions pathway



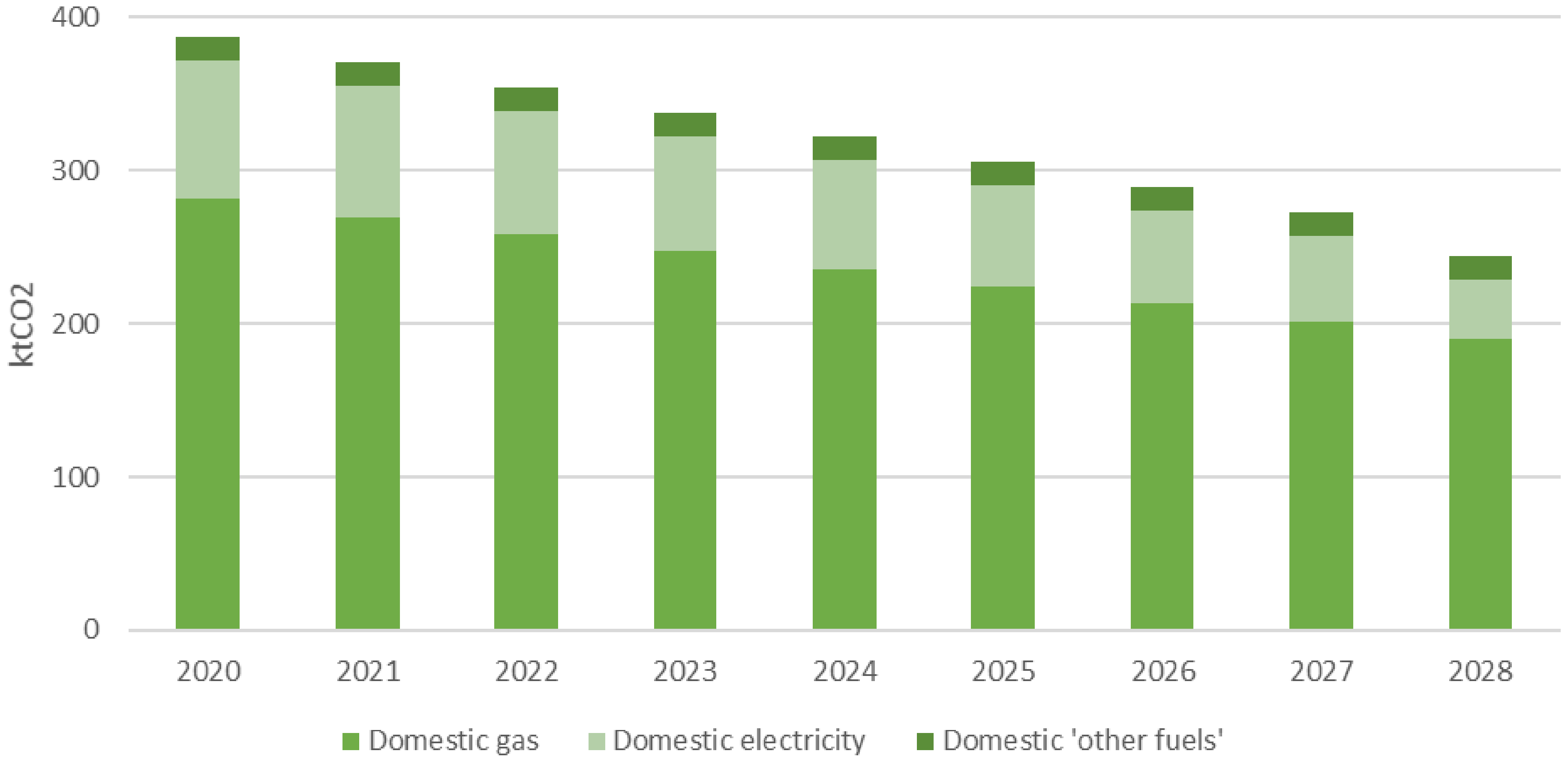
Progress by action plan targets



Nottingham's CO_2 emissions by sector



Nottingham's domestic properties emissions trajectory



CN28 Challenges for the Built Environment

- 135,000 homes in Nottingham
- est 9,400 additional new build homes by 2028
- Old and low performance building stock
- Largely dependent on gas for heating
- Need to support electrical grid development
- Tightly constrained city
- Uncertainty about planning changes
- Changing climate

CN28 Opportunities for the Built Environment

- Creating an affordable, resilient and carbon-neutral energy system
- Retrofitting homes, decarbonisation of heat, district heating
- Planning for sustainable housing and commercial development
- Increasing investment into energy efficiency improvements
- Building the capacity to deliver Clean Growth
- Effective use of technologies and data
- Greening, growing and increasing resilience

Carbon Neutral Nottingham 2028

Nottingham City Council Carbon Neutral 2028:

www.nottinghamcity.gov.uk/cn2028

climatechange@nottinghamcity.gov.uk

Nottingham BID's Green Healthy City Citizen & Business advice:

https://www.itsinnottingham.com/ideas-inspiration/green-healthy-city/

https://www.nottinghambid.com/green-healthy-city/

NOTTINGHAM COMMUNITY HOUSING ASSOCIATION

Nottingham Community Housing Association

Holly Dagnall

Director of Homes and Wellbeing

Who are we?

NCHA: Who are we?

- We've been around for almost 50 years.
- We house more than **20,000** in over **10,000** homes across the East Midlands.
- We provide homes for low cost rent, shared ownership, almshouses and outright sale through our commercial subsidiary.
- We pride ourselves on being a traditional Registered Provider.

NCHA: Who are we?

- We are a provider of adult social care across the East Midlands, with over 1m hours of care and support delivered each year.

- We've been awarded Strategic Partner status with Homes England. Our development plan will see us deliver 420 new homes each year for the next 5 years with grant certainty for starts up to 2026 and completions up to 2028.

Our Nottingham footprint

NCHA: Our Nottingham footprint

- Our story began in Nottingham in **1973.**
- Our first homes were in Sneinton, Basford and Forest Fields (we still manage most of them)
  - We own and manage **2,332** homes in Nottingham.
- We are a key care & support provider with Nottingham City
  - **200,450** hours of contracted care & support in 20/21 for adults living with learning disabilities, mental health, domestic abuse and homelessness.

NCHA: Our Nottingham footprint

- Our future plans in the city include:
  - Sites in development in Sneinton, Bilborough and Bestwood
  - BREEAM excellent site in Clifton, specialist supported housing, homes for older people and a new Head Office location.
- Pelham Homes: Trent Basin development. Pelham Waterside 2.

Key challenges

NCHA: Key challenges

Asset development and management:

- Building safety, decarbonisation: Cost of requirements ('net zero') will break our business plan without government intervention.
- Building safety remediation work and uncertainty around recovered funds from developers which may impact on government plans for new homes.
- Increasing cost of property maintenance and development – increases of **10-15%.**

NCHA: Key challenges

Attracting and retaining colleagues and skills:

- Acute labour shortages in all trades across property, including professional services which support new build development and maintenance
  - current vacancy rate **c.6.5%**

- Acute labour shortage in adult social care
  - current vacancy rate **c.7.8%**

NCHA: Key challenges

Tenancy management:

- Financial resilience: Increasing costs of living and fuel poverty.
- Recovering from homelessness and tenancy sustainability.
- Access to appropriate social care and health services.

NOTTINGHAM
COMMUNITY
HOUSING
ASSOCIATION

www.ncha.org.uk

Nick Murphy
Chief Executive

Key Challenges for NCH and the social housing sector…

- National Issues
- Forward look at the housing agenda
- Local Nottingham issues


euronews
TINNED FISH
VEGETARIAN MI
GOOD MORNING
EUROPE
POVERTY IN THE UK
MORE TURNING TO FOOD BANKS AS THE COST OF LIVING INCREASES
PASTA

Future Housing Agenda

- Housing Demand
- Housing White Paper
  - Regulation
  - Tenant Voice
  - NCH Tenants' Charter
- Building Safety
- Zero Carbon
- Right to Buy

NCH Tenants' Charter

- To be safe in your home
- To have a good quality home and neighbourhood to live in
- To have a home you can afford
- To have your voice heard and to be treated with respect
- To know how we are performing
- To have your complaints dealt with promptly and fairly

Nottingham Factors

- NCC Borrowing Cap
- Review of NCH
- NCH Chair

Gagandeep Singh
Senior Land Manager
Taylor Wimpey East Midlands

Taylor Wimpey

Nottingham Housing Strategy 2022-2025

Key Challenges

- Aging Workforce causing a potential lack of skilled workers
- Rising Build costs and material shortages
- Sales Values not outstripping the rise in build costs in certain areas
- Less land coming to market and more competition

How to meet these challenges

- Taylor Wimpey work closely with HBF where we train 7-8 young people through our apprenticeship scheme every year
- At the end of the three year scheme these apprentices go off to work for many of our sub contractors as skilled labour
- The business unit commercial team and group commercial team are keeping track of the rising build costs and update them quarterly/monthly
- This information is vital when bidding for new sites as you need to know the most up date cost information for new site acquisition
- This information is vital to manage land owner expectations in terms of land value
- We are working closely with some of the key material manufacturers to programme material delivery
- This is key for us as a business nationally and locally as it sets a tone for a our build rate and sales rate on our sites
- We assess every site individually to understand where we can drive more value out of the scheme due to the increase in build costs. (sales rates and plot values)

How to meet these challenges continued

- Less development land is comping to market and when it does there is a lot of competition (not just from PLC’s; medium developers and RP’s and bidding for the same parcels)
- To combat this we are working closely with local authorities land owners and agents to build long lasting relationships and build a solid reputation in deal making

Key Partnerships

- We are working closely with many of our sub-contactors to ensure that our apprentices have work lined up as soon as they graduate from our programme
- We are also looking to build a role for the apprentices into the tender packages when the contractors bid for works
- As mentioned before; we are working closely with key material manufactures to ensure that they understand our programming needs; an example of this would be Ibstock bricks
- Working closely and building long lasting relationships with local authorities is paramount to our business strategy (opportunity and planning)

Q & A Session

Leon McLean – Housing Strategy & Partnerships

Wrap up session

Mark Lowe – Head of Housing & Regeneration

Please hold diary date: Thursday 24th February 2022
- Three themed workshops to take place

Event close

If you would like to get in touch, please contact:
housing.network@nottinghamcity.gov.uk

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Nottingham City Council